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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:)	
)	Chapter 11
LEHMAN BROTHERS HOLDINGS INC., et al.)	
)	Case No. 08-13555 (JMP)
Debtor,)	
)	Jointly Administered

**LIMITED OBJECTION OF IBM PERSONAL PENSION PLAN TRUST TO
ASSUMPTION OF AGREEMENTS AS SET FORTH IN PLAN SUPPLEMENT**

The IBM Personal Pension Plan Trust (the “IBM Pension Trust”) hereby files its limited objection to the assumption of two agreements with Lehman Brothers Special Financing Inc. (“LBSF”) to which it is a counterparty, to the extent to that they are being assumed for any purpose other than to permit the continued wind-down of the agreements or that such assumption would alter or affect in any way the already agreed settlement payments due upon termination, and in support thereof states as follows:

BACKGROUND

1. By Ordered dated September 1, 2011 [ECF 19631], this Court approved the Debtors’ Disclosure Statement for Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc and Its Affiliated Debtors Pursuant to Section 1125 of the Bankruptcy Code, dated August 31, 2011 [ECF No. 19629] (the “Disclosure Statement”), and the form of Notice of (i) Approval of Disclosure Statement; (ii) Establishment of Record Date; (iii) Hearing on

Confirmation of the Plan and Procedures for Objecting to Confirmation of the Plan; and (iv) Procedures and Deadline for Voting on the Plan (the “Confirmation Hearing Notice”).

2. Pursuant to Paragraph 9 of the Confirmation Hearing Notice, objections to assumption of executory contracts pursuant to Section 11.1 of the Third Amended Joint Chapter 11 Plan of Lehman Brothers Holdings Inc. and Its Affiliated Debtors, dated August 2011, [ECF No. 197627] (the “Plan”), which contracts were to be listed on a schedule to the Plan Supplement, must be filed and served on or before the deadline for objections to confirmation, November 4, 2011, at 4:00 p.m. (the “Plan Objection Deadline”).

3. On October 25, 2011, the Debtors filed the Plan Supplement [ECF No. 21254], which sets forth at Exhibit 2 the Schedule of Executory Contracts and Unexpired Leases to Be Assumed Pursuant to Section 11.1 of the Plan.

4. The Debtors list two contracts with the IBM Pension Trust in the Plan Supplement, at pages 49 and 95 of Exhibit 2. The information as set forth in the Plan Supplement is set forth here and the relevant pages are attached as Exhibit A.

Counterparty	Debtor	Title of Agreement	Notice Address
GMO/IBM Personal Pension Plan Trust	Lehman Brothers Special Financing Inc.	1992 ISDA MA - Multi-Currency Cross Border dated on 9/10/2011	c/o Grantham, Mayo, Van Otterloo 40 Rowes Wharf Boston, MA, 02110
p2642/IBM Personal Pension Plan Trust	Lehman Brothers Special Financing Inc.	1992 ISDA MA - Multi-Currency Cross Border dated on 4/16/1999	PIMCO 840 Newport Center Drive Suite 100 Newport Beach, CA, 92660 Attn: Kevin M. Broadwater

5. The IBM Pension Trust utilized the services of Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”) as an investment advisor and invested funds with LBSF pursuant to an ISDA Master Agreement dated as of September 10, 2001, as amended from time to time, between LBSF and the IBM Pension Trust. The IBM Pension Trust likewise utilized the

services of Pacific Investment Management Company LLC (“PIMCO”) as an investment advisor and invested funds with LBSF pursuant to an ISDA Master Agreement dated April 16, 1999, as amended. It thus appears from the details set forth in the Plan Supplement that the two contracts which the Debtors intend to assume are the two ISDA Master Agreements.

6. Each of the ISDA Master Agreements was terminated on or about September 15, 2008, and GMO and PIMCO undertook to net out the transactions, working in coordination with the Debtors with respect to these ISDA Master Agreements, as well as multiple other agreements with multiple other counterparties.

7. The net result is that the IBM Pension Trust is indebted to LBSF in the amount of \$1,195,110.00 for transactions for which GMO acted as investment advisor, while LBSF, and LBHI as guarantor, are indebted to the IBM Pension Trust in the amount of \$870,696.14, for transactions for which PIMCO acted as an investment advisor.

8. On September 22, 2009, the IBM Pension Trust filed proofs of claim against LBSF, and against LBHI as guarantor, each in the amount of \$870,696.14, asserting a right of setoff under the ISDA Master Agreements and Section 553 of the Bankruptcy Code. Since that time, the IBM Pension Trust and LAMCO, on behalf of LBSF, have been in negotiations concerning such setoff right.

LIMITED OBJECTION

9. The IBM Pension Trust objects to the assumption of the two ISDA Master Agreements to which it is a counterparty to the extent that they are being assumed for any purpose other than to permit the continued wind-down of the agreements or that such assumption would alter or affect in any way the already agreed settlement payments due upon termination.

CONCLUSION

WHEREFORE, for the reasons stated above, to the extent they are properly identified, IBM objects to cure amounts proposed for its closing date contracts contained on the List and respectfully requests that the assumption and assignment of those contracts be denied until such time as the parties thereto reach a resolution as to the appropriate cure amounts, and that the Court grant such other and further relief as is just and proper.

Dated: New York, New York
November 2, 2011

SATTERLEE STEPHENS BURKE & BURKE LLP
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Certificate of Service

I hereby certify that on November 2, 2011, I caused the foregoing document to be electronically filed with the Clerk of the District Court using the CM/ECF system which sent notification of such filing to the parties registered for electronic service via the Court's electronic transmission facilities, and caused it to be mailed by the United States Postal Service, first class mail, to the following parties:

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Dated: New York, New York
November 2, 2011

/s/ Christopher R. Belmonte
CHRISTOPHER R. BELMONTE